



Legislative Bulletin.....July 31, 2001

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H.R. 2603—U.S.-Jordan Free Trade Area Implementation Act of 2001 (Thomas)

Order of Business: The bill is scheduled to be considered under a motion to suspend the rules on Tuesday, July 31st.

Summary: This bill would codify a free trade area (i.e. remove trade barriers) between the United States and Jordan, as set out in the agreement between the two countries on October 24, 2000. The President would be authorized to modify or continue any duty, keep in place duty-free treatment, or impose any additional duties as he sees fit. Items eligible for a reduced or eliminated duty would have to be imported directly from Jordan into the U.S., be wholly products of Jordan, and meet other, more technical requirements set out in the bill (drawn largely verbatim from section 402 of the Trade and Tariff Act of 1984 (19 U.S.C. 2112 note), which establishes origin rules for goods imported from Israel).

Under the bill, the President may (but is not obligated to) temporarily waive specific duty-reductions or duty-eliminations (i.e. give “import relief”) after the U.S. International Trade Commission (ITC) determines that a Jordanian product is being imported into the United States in such increased quantities and under such conditions as to be a substantial cause of serious injury or threat of serious injury to a petitioning domestic industry. This import relief could not exceed four years. [According to the Ways & Means Committee, this is essentially the same provision written into NAFTA.]

If the President were to impose global import relief, he could still allow imports from Jordan if he determines that such imports are not a substantial cause of the serious injury (identified by the ITC), or threat of serious injury, to a domestic industry.

The bill would also make Jordanian nationals eligible for temporary entry into the United States as traders and investors, in accordance with the Immigration and Nationality Act (8 U.S.C. 1101).

An appropriation of not more than \$100,000 per fiscal year after fiscal year 2001 is authorized to the Department of Commerce for the payment of the U.S. share of expenses incurred in

dispute-settlement proceedings. The provisions of this Act would take effect when the October 24th bilateral agreement (referenced above) enters into force and would terminate should the agreement ever cease to be in force.

Cost to Taxpayers: The bill would authorize not more than \$100,000 per fiscal year to the Department of Commerce for the payment of the U.S. share of expenses incurred in dispute-settlement proceedings.

Does the Bill Create New Federal Programs or Rules?: Yes, though these rules, as described above, will *reduce* trade barriers between the United States and Jordan.

Constitutional Authority: Though no committee report citing constitutional authority is available, Article I, Section 8, Clause 3 authorizes Congress “To regulate Commerce with foreign Nations.”

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H.R. 2540—Veterans Benefits Act of 2001 (Smith, Chris)

Order of Business: The bill is scheduled to be considered under a motion to suspend the rules on Tuesday, July 31st.

Summary: H.R. 2540 would affect many veterans programs, including compensation, insurance, medical care, and housing, as follows:

Annual cost-of-living adjustment in disability and dependency and indemnity (DIC) compensation.

- Effective December 1, 2001, a cost-of-living adjustment (COLA) to the disability compensation rates for veterans with service-connected disabilities and to the DIC rates would become effective. The COLA would be equal to the increase for benefits provided under the Social Security Act, which is calculated based upon changes in the Consumer Price Index.

Compensation Provisions.

- Diabetes Mellitus (Type 2), though an illness not clearly defined, would be added to the list of diseases presumed to be service-connected (in Vietnam veterans exposed to herbicides).
- Added to the list (effective April 1, 2002) of not-clearly-defined illnesses that would be presumed to be service-related would be fibromyalgia, chronic fatigue syndrome, chronic multisymptom illness, and any other illness that cannot be clearly defined (in accordance with a list of possible symptoms provided in the bill). This provision is aimed at applying compensation provisions to the mysterious “Gulf War Syndrome.”
- The Secretary of Veterans Affairs would be authorized to protect from termination a Gulf War veteran who participates in a VA-sponsored medical research project.

Administration of the U.S. Court of Appeals for Veterans Claims.

- The U.S. Court of Appeals for Veterans Claims would be authorized to impose registration fees on persons participating in Court-sponsored activities, including judicial conferences.
- The Court would be allowed to use such fees for disciplinary matters, for defraying the expenses of judicial conferences, and for other activities of the Court.

Other Benefits Provisions.

- The payment of insurance proceeds under the National Service Life Insurance program to another beneficiary designated by the insured would be authorized if the first beneficiary otherwise entitled to payment does not make a claim within three years after the death of the insured. If within five years after the death of the insured, no claim has been filed by a named beneficiary, payment of the insurance proceeds would be authorized to a person determined by the Secretary of Veterans Affairs to be entitled to such proceeds.
- The authorization for the VA's copayment requirement for outpatient prescription medications would be extended from September 30, 2002 to September 30, 2006. The VA currently collects a \$2 copayment for each outpatient prescription it fills; it is planning to increase the copayment to \$7 per prescription.
- **The availability of funds for the Department of Veterans Affairs Health Services Improvement Fund, currently mandatory, would become subject to appropriations effective October 1, 2002.**
- The VA's direct home loan program for Native American veterans would be extended from December 31, 2001 to December 31, 2005. The bill would eliminate the requirement for VA to have a separate memorandum of understanding (MOU) with tribal authorities if another federal agency has an MOU which substantially complies with VA's requirement.
- The requirement for veterans to furnish the VA with a copy of a notice of appeal filed with the U.S. Court of Appeals for Veterans Claims would be eliminated.
- The Secretary of Veterans Affairs would be required to establish a two-year nationwide pilot program to expand the available hours of VA's 1-800 toll-free information service, to assess the extent to which a demand for such service exists, and to report to Congress on its findings.
- Certain recurring provisions in the annual Department of Veterans Affairs Appropriations Acts would be codified by H.R. 2540 effective for fiscal year 2003, including how funds may be used for the following accounts: Compensation and Pensions, Medical Care, Medical Administration and Miscellaneous Operating Expenses, General Operating Expenses, Construction--Major Projects, and Construction--Minor Projects.

Cost to Taxpayers: The CBO estimates that in total the bill would result in a **decrease in mandatory spending of \$806 million** through FY2006 (\$0 in FY2001) and an **increase in budget authority subject to appropriation of \$980 million** through FY2006 (\$50 million in FY2001). For more detailed information on the costs of the individual items in the

legislation, see the CBO's analysis at:
<http://www.cbo.gov/showdoc.cfm?index=2935&sequence=0&from=6>.

Does the Bill Create New Federal Programs or Rules?: Yes, as described above.

Constitutional Authority: The Committee on Veterans Affairs in Committee Report 107-156 cites constitutional authority in Article I, Section 8, Clause 1 (specifically, Congress' power to "provide for the common Defence and general Welfare of the United States")

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